

**TESTIMONY BEFORE THE APPROPRIATIONS AND HUMAN SERVICES COMMITTEES
JULY 24, 2012
IN OPPOSITION TO PROPOSED SECTION 1115 DEMONSTRATION WAIVER TO CUT
ELIGIBILITY, BENEFITS FOR THE MEDICAID LOW INCOME ADULT PROGRAM**

Good morning, Senator Harp, Representative Walker, Senator Musto, Representative Tercyak and members of the Appropriations and Human Services Committees. My name is Sara Frankel and I am the Program Manager for Policy and Advocacy for the National Alliance on Mental Illness (NAMI) of Connecticut. NAMI Connecticut is the largest member organization in the state of people with psychiatric disabilities and their families. I am here today on behalf of NAMI Connecticut to strongly oppose the proposed Section 1115 Demonstration Waiver Application to the Medicaid Low Income Adult (LIA) Program.

The Medicaid LIA Program has been a great early success story of federal health care reform. Connecticut was the first state to gain approval from the federal government in 2010 to expand Medicaid coverage under Section 2001 of the Affordable Care Act, which has allowed over 70,000 low income adults to enroll in Connecticut's Medicaid program – a population that would otherwise have continued to go uninsured. This Medicaid expansion effort is particularly beneficial to those living with mental illness — nationally, approximately one in six uninsured adults with incomes below 133% of the Federal Poverty Level has a severe mental disorder.¹ Additionally, because of the recent Supreme Court decision upholding the Affordable Care Act, the **Medicaid LIA Program is the only part of the current Connecticut Medicaid program which will be 100% federally funded in 2014.** It is unnecessary, then, to make any severely disruptive cuts for a year of uncertain savings.

The proposed changes to the Medicaid LIA Program will take Connecticut backwards in its goal to reduce the number of uninsured individuals. Specifically, the proposal to count parental income and assets for enrollees between 19 and 26 who live with their parents (or are claimed by them on their tax returns) will likely result in an increase of uninsured young adults. This proposal assumes that parents have the ability to provide health insurance for their young adult child via a commercial insurance plan. However, for many of these young adults, the proposal will result in a loss of health care coverage because their parents are themselves working poor and are either (i) uninsured, (ii) on HUSKY A, (iii) insured through commercial insurance which does not include family coverage, or (iv) insured through commercial insurance which covers families (including, by law, kids up to 26) **but only at unaffordable premiums.**

Additionally, both the proposal to count parental income and assets for enrollees between 19 and 26 as well as the proposal to institute a \$10,000 asset limit will put a heavy administrative burden on an already overburdened and short-staffed department – DSS eligibility workers will have to review all 77,000 LIA enrollees for asset information not previously collected. This will cause even more delays and improper terminations for everyone, including individuals who are fully eligible for **other** parts of the Medicaid program.

Thank you for your time. I am happy to answer any questions you may have.

¹ Judge David L. Bazelon Center for Mental Health Law. *Take Advantage of New Opportunities to Expand Medicaid Under the Affordable Care Act*, 2 (July 2012).